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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders September 2006

New Orders

New orders for manufactured durable goods in September increased \$16.3 billion or 7.8 percent to \$226.7 billion, the U.S. Census Bureau announced today. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed two consecutive monthly decreases including a 0.1 percent August decrease. Excluding transportation, new orders increased 0.1 percent. Excluding defense, new orders increased 6.3 percent.

Transportation equipment, up two consecutive months, had the largest increase, \$16.2 billion or 27.6 percent to \$74.9 billion. This was the largest increase in transportation equipment since June 2000. This was due to nondefense aircraft and parts, which increased \$14.5 billion.

Shipments

Shipments of manufactured durable goods in September, down two of the last three months, decreased \$5.9 billion or 2.8 percent to \$208.6 billion. This followed a 2.0 percent August increase.

Transportation equipment, down three of the last four months, had the largest decrease, \$2.4 billion or 4.3 percent to \$54.3 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in September, up sixteen of the last seventeen months, increased \$23.9 billion or 3.8 percent to \$655.9 billion. This was at the highest level since the series began and followed a 0.4 percent August increase.

Transportation equipment, up sixteen of the last seventeen months, had the largest increase, \$20.5 billion

or 6.2 percent to \$351.9 billion. This was also at the highest level since the series began.

Inventories

Inventories of manufactured durable goods in September, up eight of the last nine months, increased \$2.8 billion or 1.0 percent to \$290.8 billion. This followed a 0.6 percent August increase.

Transportation equipment, up six of the last seven months, had the largest increase, \$0.8 billion or 1.3 percent to \$67.3 billion.

Capital Goods

Nondefense new orders for capital goods in September increased \$15.2 billion or 21.9 percent to \$84.5 billion. Shipments decreased \$0.7 billion or 1.0 percent to \$67.4 billion. Unfilled orders increased \$17.2 billion or 5.3 percent to \$342.3 billion. Inventories increased \$1.7 billion or 1.5 percent to \$112.4 billion.

Defense new orders for capital goods in September increased \$4.1 billion or 41.9 percent to \$13.7 billion. Shipments decreased \$0.4 billion or 4.9 percent to \$7.8 billion. Unfilled orders increased \$5.9 billion or 4.5 percent to \$136.3 billion. Inventories increased slightly or 0.1 percent to \$14.3 billion.

Revised August Data

Revised seasonally adjusted August figures for all manufacturing industries were: new orders, \$403.1 billion (revised from \$403.6 billion); shipments, \$407.3 billion (revised from \$407.8 billion); unfilled orders, \$632.0 billion (unchanged); and total inventories, \$476.4 billion (revised from \$475.5 billion).

Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>. Revised and more detailed estimates, plus nondurable goods data, will be published on November 2, 2006, at 10:00 a.m. EST. The advance report on durable goods for October is scheduled for release on November 28, 2006, at 8:30 a.m. EST. See back page for survey description.

Table 1. Durable Goods Manufacturers' Shipments and New Orders
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Sep 2006 ²	Aug 2006 ^r	Jul 2006	Aug - Sep ²	Jul - Aug ^r	Jun - Jul	Sep 2006 ²	Aug 2006 ^r	Sep 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	208,590	214,518	210,220	-2.8	2.0	-1.3	219,957	219,803	215,367	1,891,076	1,767,433	7.0
New Orders ⁴	226,699	210,354	210,561	7.8	-0.1	-2.8	233,411	211,155	209,496	1,906,062	1,750,805	8.9
Excluding transportation:												
Shipments.....	154,263	157,766	156,460	-2.2	0.8	0.3	162,388	160,315	154,706	1,387,686	1,275,527	8.8
New Orders ⁴	151,834	151,660	153,911	0.1	-1.5	-0.1	157,517	151,292	150,364	1,356,295	1,241,068	9.3
Excluding defense:												
Shipments.....	199,232	204,654	200,918	-2.6	1.9	-1.3	209,893	210,010	205,594	1,807,436	1,688,701	7.0
New Orders ⁴	211,613	199,082	200,116	6.3	-0.5	-2.2	218,815	201,610	202,034	1,817,699	1,684,619	7.9
Manufacturing with unfilled orders:												
Shipments.....	147,461	150,424	147,557	-2.0	1.9	0.3	155,274	153,261	144,177	1,308,369	1,196,277	9.4
New Orders ⁴	171,333	153,216	154,770	11.8	-1.0	-1.6	175,101	151,461	145,389	1,383,529	1,235,731	12.0
Primary metals:												
Shipments.....	19,602	20,000	19,961	-2.0	0.2	2.2	19,687	20,743	16,642	170,620	146,451	16.5
New Orders.....	19,349	19,548	20,050	-1.0	-2.5	1.6	19,151	20,407	17,750	171,736	146,938	16.9
Fabricated metal products:												
Shipments.....	24,671	25,041	24,723	-1.5	1.3	-0.7	25,556	26,629	24,376	222,974	206,434	8.0
New Orders.....	25,135	25,491	24,912	-1.4	2.3	-6.5	25,422	26,351	24,745	229,244	212,454	7.9
Machinery:												
Shipments.....	27,829	28,169	27,685	-1.2	1.7	0.9	28,420	27,732	25,831	245,416	219,700	11.7
New Orders.....	28,961	28,577	28,908	1.3	-1.1	0.6	28,901	27,474	26,114	254,356	225,484	12.8
Computers and electronic products:												
Shipments.....	33,758	35,718	35,392	-5.5	0.9	1.3	38,133	34,462	37,806	310,745	288,277	7.8
New Orders ⁴	29,837	29,862	30,680	-0.1	-2.7	4.1	33,618	27,492	31,287	259,299	238,752	8.6
Computers and related products:												
Shipments.....	6,261	6,699	6,933	-6.5	-3.4	15.2	7,075	6,100	7,472	57,776	56,997	1.4
New Orders.....	6,198	6,343	7,064	-2.3	-10.2	15.3	7,012	5,744	7,658	57,095	56,863	0.4
Communications equipment:												
Shipments.....	5,521	5,735	5,346	-3.7	7.3	-12.0	6,463	5,491	6,079	51,525	44,855	14.9
New Orders.....	6,185	6,530	5,970	-5.3	9.4	-9.3	7,399	5,408	5,978	54,260	47,033	15.4
Semiconductors:												
Shipments.....	5,763	6,956	6,872	-17.2	1.2	3.6	6,373	6,848	7,083	60,174	56,082	7.3
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,134	10,376	10,286	-2.3	0.9	0.5	11,112	10,678	10,566	90,941	82,777	9.9
New Orders.....	10,247	9,879	10,822	3.7	-8.7	0.0	10,879	9,977	10,889	94,552	85,136	11.1
Transportation equipment:												
Shipments.....	54,327	56,752	53,760	-4.3	5.6	-5.8	57,569	59,488	60,661	503,390	491,906	2.3
New Orders.....	74,865	58,694	56,650	27.6	3.6	-9.4	75,894	59,863	59,132	549,767	509,737	7.9
Motor vehicles and parts:												
Shipments.....	36,785	39,427	37,517	-6.7	5.1	-7.3	38,703	42,598	45,387	355,745	362,485	-1.9
New Orders.....	36,977	39,376	37,907	-6.1	3.9	-6.9	38,745	42,140	45,697	357,417	362,939	-1.5
Nondefense aircraft and parts:												
Shipments.....	8,667	8,141	7,469	6.5	9.0	-6.5	8,941	7,710	5,390	69,031	51,388	34.3
New Orders.....	22,401	7,910	9,877	183.2	-19.9	-12.5	22,056	7,358	6,734	109,625	79,068	38.6
Defense aircraft and parts:												
Shipments.....	3,380	3,611	3,396	-6.4	6.3	5.1	3,794	3,587	3,822	30,189	29,250	3.2
New Orders.....	2,829	3,297	3,052	-14.2	8.0	1.8	2,585	2,518	2,548	27,042	20,993	28.8
All other durable goods:												
Shipments.....	38,269	38,462	38,413	-0.5	0.1	-1.3	39,480	40,071	39,485	346,990	331,888	4.6
New Orders.....	38,305	38,303	38,539	0.0	-0.6	-0.5	39,546	39,591	39,579	347,108	332,304	4.5
Capital goods:³												
Shipments.....	75,181	76,244	74,624	-1.4	2.2	0.2	80,274	74,832	73,666	664,887	599,495	10.9
New Orders.....	98,274	79,056	79,838	24.3	-1.0	-2.7	101,385	74,001	73,314	722,407	629,732	14.7
Nondefense capital goods:												
Shipments.....	67,360	68,018	66,857	-1.0	1.7	0.6	71,961	66,647	65,465	594,741	532,707	11.6
New Orders.....	84,548	69,384	70,978	21.9	-2.2	-0.9	88,167	65,827	67,160	646,941	573,226	12.9
Excluding aircraft:												
Shipments.....	61,479	62,785	62,139	-2.1	1.0	1.5	66,003	61,663	62,729	550,340	506,247	8.7
New Orders.....	65,118	64,432	63,890	1.1	0.8	0.6	68,902	61,161	63,195	567,861	517,664	9.7
Defense capital goods:												
Shipments.....	7,821	8,226	7,767	-4.9	5.9	-3.1	8,313	8,185	8,201	70,146	66,788	5.0
New Orders.....	13,726	9,672	8,860	41.9	9.2	-15.0	13,218	8,174	6,154	75,466	56,506	33.6

NA Not Available ^r Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-3(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005"

³ The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
 [Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2006/2005
	Sep 2006 ²	Aug 2006 ^r	Jul 2006	Aug - Sep ²	Jul - Aug ^r	Jun - Jul	Sep 2006 ²	Aug 2006 ^r	Sep 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	655,917	632,045	629,253	3.8	0.4	1.2	647,588	627,761	530,691	22.0
Total Inventories.....	290,841	288,051	286,383	1.0	0.6	1.1	289,918	290,934	268,878	7.8
Excluding transportation:										
Unfilled Orders ⁴	304,061	300,727	299,877	1.1	0.3	1.5	300,071	298,569	265,013	13.2
Total Inventories.....	223,566	221,623	219,237	0.9	1.1	1.1	222,270	223,637	204,815	8.5
Excluding defense:										
Unfilled Orders ⁴	507,121	488,977	487,593	3.7	0.3	1.3	502,320	487,025	393,892	27.5
Total Inventories.....	271,591	269,004	267,351	1.0	0.6	1.1	270,509	271,751	249,518	8.4
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	655,917	632,045	629,253	3.8	0.4	1.2	647,588	627,761	530,691	22.0
Total Inventories.....	226,399	223,600	222,475	1.3	0.5	1.0	225,601	225,583	208,378	8.3
Primary metals:										
Unfilled Orders.....	26,792	27,045	27,497	-0.9	-1.6	0.3	26,390	26,926	22,269	18.5
Total Inventories.....	29,375	28,594	28,041	2.7	2.0	2.1	29,175	28,568	25,053	16.5
Fabricated metal products:										
Unfilled Orders.....	53,714	53,250	52,800	0.9	0.9	0.4	53,375	53,509	46,743	14.2
Total Inventories.....	37,485	36,978	36,467	1.4	1.4	1.2	37,066	37,078	33,804	9.6
Machinery:										
Unfilled Orders.....	72,362	71,230	70,822	1.6	0.6	1.8	70,645	70,164	57,849	22.1
Total Inventories.....	46,036	45,411	45,148	1.4	0.6	0.6	45,858	45,790	43,162	6.2
Computers and electronic products:										
Unfilled Orders ⁴	117,551	115,709	114,609	1.6	1.0	1.9	116,303	114,445	107,877	7.8
Total Inventories.....	45,519	45,560	45,018	-0.1	1.2	0.9	45,431	46,705	41,590	9.2
Computers and related products:										
Unfilled Orders.....	4,021	4,084	4,440	-1.5	-8.0	3.0	4,021	4,084	4,800	-16.2
Total Inventories.....	4,453	4,249	4,202	4.8	1.1	0.6	4,457	4,500	4,400	1.3
Communications equipment:										
Unfilled Orders.....	36,297	35,633	34,838	1.9	2.3	1.8	35,747	34,811	33,881	5.5
Total Inventories.....	10,039	9,966	9,930	0.7	0.4	0.3	9,960	10,068	9,583	3.9
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	21,733	21,620	22,117	0.5	-2.2	2.5	21,445	21,678	17,338	23.7
Total Inventories.....	14,064	14,111	13,873	-0.3	1.7	2.0	13,760	14,157	12,296	11.9
Transportation equipment:										
Unfilled Orders.....	351,856	331,318	329,376	6.2	0.6	0.9	347,517	329,192	265,678	30.8
Total Inventories.....	67,275	66,428	67,146	1.3	-1.1	1.1	67,648	67,297	64,063	5.6
Motor vehicles and parts:										
Unfilled Orders.....	19,267	19,075	19,126	1.0	-0.3	2.1	18,764	18,722	15,914	17.9
Total Inventories.....	23,975	24,227	24,031	-1.0	0.8	1.3	24,119	24,462	23,311	3.5
Nondefense Aircraft and parts:										
Unfilled Orders.....	208,887	195,153	195,384	7.0	-0.1	1.2	208,028	194,913	135,954	53.0
Total Inventories.....	23,680	22,677	23,665	4.4	-4.2	0.7	23,815	23,140	21,176	12.5
Defense Aircraft and parts:										
Unfilled Orders.....	43,568	44,119	44,433	-1.2	-0.7	-0.8	42,361	43,570	40,573	4.4
Total Inventories.....	12,065	11,799	11,837	2.3	-0.3	1.1	12,173	11,862	11,535	5.5
All other durable goods:										
Unfilled Orders.....	11,909	11,873	12,032	0.3	-1.3	1.1	11,913	11,847	12,937	-7.9
Total Inventories.....	51,087	50,969	50,690	0.2	0.6	0.9	50,980	51,339	48,910	4.2
Capital goods:³										
Unfilled Orders.....	478,614	455,521	452,709	5.1	0.6	1.2	472,215	451,104	378,107	24.9
Total Inventories.....	126,715	125,034	125,281	1.3	-0.2	1.0	126,464	126,736	119,648	5.7
Nondefense capital goods:										
Unfilled Orders.....	342,349	325,161	323,795	5.3	0.4	1.3	339,114	322,908	252,491	34.3
Total Inventories.....	112,414	110,747	110,935	1.5	-0.2	0.9	112,112	112,376	104,897	6.9
Excluding aircraft:										
Unfilled Orders.....	159,288	155,649	154,002	2.3	1.1	1.2	156,727	153,828	136,439	14.9
Total Inventories.....	94,403	93,784	92,892	0.7	1.0	0.9	93,898	95,060	88,495	6.1
Defense capital goods:										
Unfilled Orders.....	136,265	130,360	128,914	4.5	1.1	0.9	133,101	128,196	125,616	6.0
Total Inventories.....	14,301	14,287	14,346	0.1	-0.4	1.7	14,352	14,360	14,751	-2.7

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 62 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,200 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,200 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.